GOVERNMENT OF INDIA
STEEL
LOK SABHA

STARRED QUESTION NO:202
ANSWERED ON:31.07.2017
Steel Production
Ashok Kumar Shri K.;Solanki Dr. Kirit Premjibhai

Will the Minister of STEEL be pleased to state:

(a) whether production of the crude steel grew during the first quarter of the current year and if so, the details thereof;

(b) whether the Government''s ambition to add 182 million tonnes of steel production capacity under the National Steel Policy during the next 14 years is likely to be achieved, if so, the details thereof and if not, the reasons therefor;

(c) whether only 60 million tonnes of the steel production capacity has been added during the last decade and stagnant steel demand had aggravated the debt position of the sector and if so, the details thereof;

(d) whether several global steel players have scrapped their various greenfield steel projects on issues concerning acquisition of land and raw material linkage for the purpose and if so, the details thereof along with the remedial steps taken by the Government in this regard; and

(e) the other steps taken by the Government to augment steel production in the country?

Answer

THE MINISTER OF STEEL (SHRI CHAUDHARY BIRENDER SINGH)

(a)to(e): A Statement is laid on the Table of the Lok Sabha.

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STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) OF THE LOK SABHA STARRED QUESTION NO. *202 FOR ANSWER ON 31/07/2017 TABLED BY SHRI K. ASHOK KUMAR AND DR. KIRIT P. SOLANKI, MEMBERS OF PARLIAMENT REGARDING "STEEL PRODUCTION"

(a) Yes, Madam. Data on crude steel production in India during April-June 2017-18 show a growth of 3.5% over the same period of last year as shown below:-

Year Crude steel production (mt)
April-June 2016-17* 23.72
April-June 2017-18* 24.56
% Change 3.5
Source: JPC; *Provisional; mt=million tonnes

(b) India has crude steel capacity of 126 million tonnes as on March 2017. The National Steel Policy (NSP) 2017, envisages to enhance the domestic crude steel capacity to 300 million tonnes by 2030-31. This is shown below which indicates an addition of 174 mt of Capacity as compared to 2016-17 (prov.) in the next 14 years.

Year Crude steel capacity (mt)
2016-17* 126.33
2030-31^ 300
Increase 173.67
Source: JPC; *Provisional, ^ Projected as per NSP 2017

(c) Crude steel capacity added during 2007-08 to 2016-17 is 66.49 million tonnes. During this period, the domestic finished steel consumption grew by 6% CAGR (Compounded Annual Growth Rate) and hence the reason for the financial health of the steel sector cannot be attributed to stagnant steel demand. However, the financials of steel companies were adversely affected due to significant price fall of steel commodities and increase in imports of total finished steel (71%) during 2014-15.

(d)&(e): Decision to set up steel project is taken by individual investor based on various factors like location of land, availability of raw materials, economic viability of project, logistics, etc. In order to ensure availability of raw materials, Government has come up with Mines and Minerals (Development and Regulation) Amendment Act, 2015 and Coal Mines (Special Provisions) Act, 2015. This

statutory framework provide transparent method of allocation of natural resources like iron ore and coal. Further, Government has notified the National Steel Policy 2017 on 8.5.2017, which lays down the broad roadmap for encouraging long term growth for the Indian steel industry. The Government has also notified a Policy on preference to 'Domestically Manufactured Iron & Steel Products' (DMI&SP) in Government procurement, which is likely to increase domestic demand, production and value addition in steel sector.

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